

# Incitec Pivot Limited

INNOVATION ON THE GROUND

## ASX RELEASE

### Investor Briefing Presentation

4 August 2020

Incitec Pivot Limited (ASX:**IPL**) will host a virtual Investor Briefing commencing at 10.00am (AEST) on Tuesday, 4 August 2020, at which the following presentation will be given.

Links to register for the Investor Briefing are provided below, and a replay of the webcast will be available via our website at [www.incitecpivot.com.au](http://www.incitecpivot.com.au).

**Link to join audio webcast:**

<https://edge.media-server.com/mmc/p/hfugh3wm>

**Link to register for teleconference:**

<https://s1.c-conf.com/DiamondPass/10008753-invite.html>

*Your dial-in number will be sent to you upon registration*

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This document has been authorised for release by Richa Puri, Company Secretary.



**Incitec Pivot Limited**

**DYNO**  
Dyno Nobel



**INNOVATION ON THE GROUND**

# Investor Briefing

**4 August 2020**



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Managing Director & Chief Executive Officer

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President Incitec Pivot Fertilisers

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**Tim Wall**  
President Global Manufacturing & Corporate HSE

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Key Messages & Conclusion

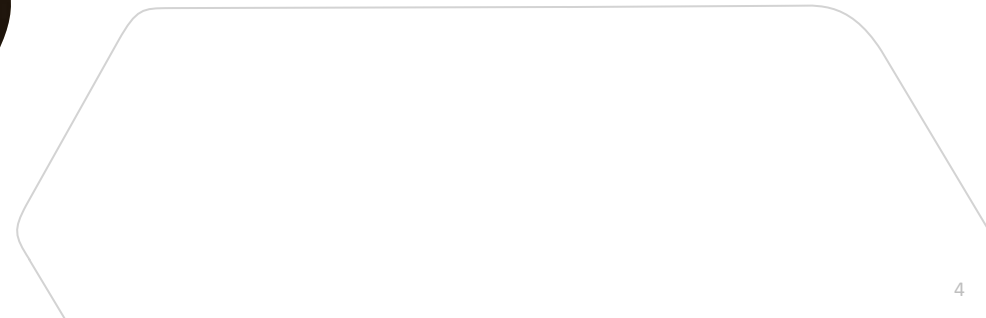
**Jeanne Johns**  
Managing Director & Chief Executive Officer

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# Strategy





## Jeanne Johns

Managing Director & Chief Executive Officer

# Growth Through Supporting Essential Industries

**DYNO**  
**Dyno Nobel** INNOVATION AND  
 HIGHEST QUALITY  
 EXPOSURE TO  
 EXPLOSIVES



## COMPETITIVE ADVANTAGE

Best premium technology in the market today, ideally suited for growth markets/sectors  
 Strategically located assets close to quality customers

## STRONG EXPLOSIVES MARGINS

> 14% EBIT margin<sup>2</sup>, reflecting value add premium technology and markets

## DIVERSIFIED CATEGORY EXPOSURE

Two best mining markets in the world  
 Base & Precious Metals, Quarry & Construction, Coal

## QUALITY CUSTOMER BASE



AUSTRALIA'S LARGEST  
 INTEGRATED SUPPLIER  
 OF FERTILISERS

## LEADER IN EAST COAST MARKET

Extensive distribution platform with stable distribution volumes

## DIVERSIFIED CATEGORY EXPOSURE

Dairy, Sugar, Cotton, Grains, Horticulture

## LEVERAGED TO GROWING GLOBAL PHOSPHATES MARKETS

>15% increase in Di-ammonium Phosphates (DAP) price since 1H20 low

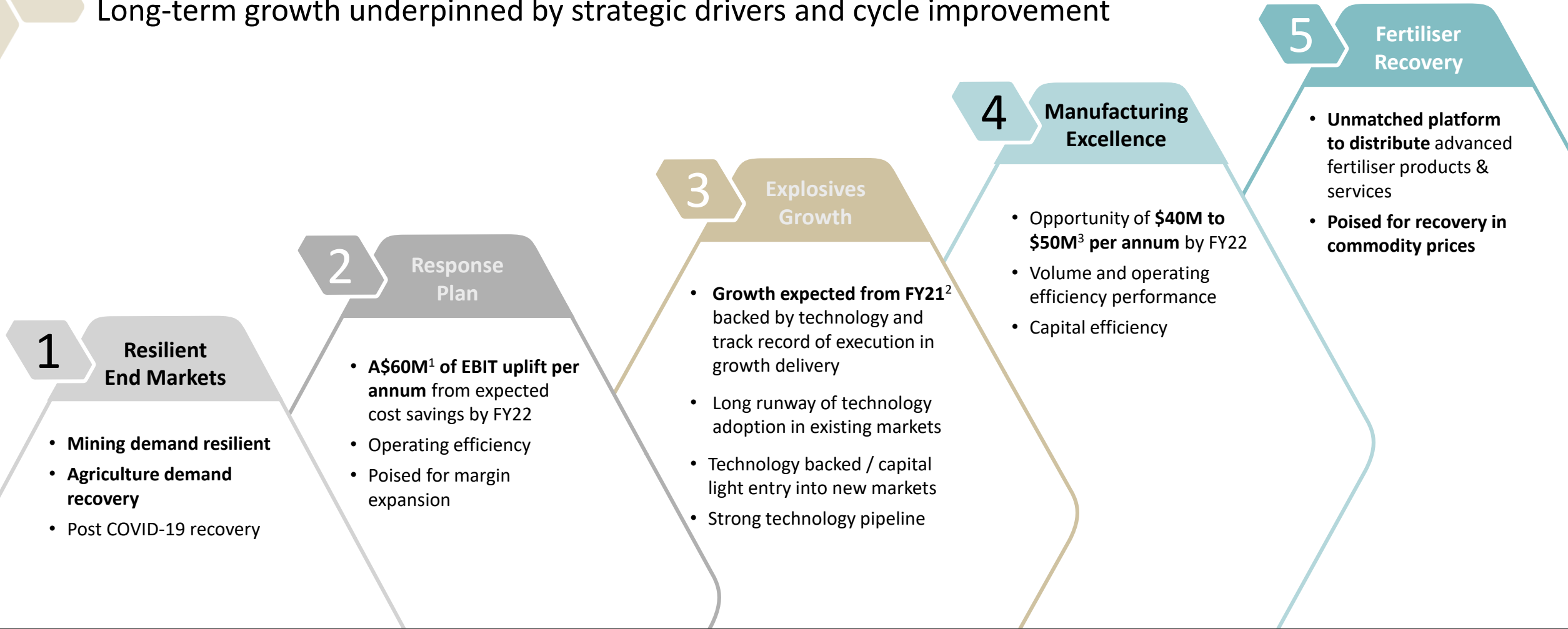
## LARGEST AUSTRALIAN FERTILISERS PRODUCER

Manufacturing provides security of supply

1) 1H FY20 IPL Group Revenue split  
 2) 1H20 Explosives EBIT margins

# Deliver Shareholder Value

Long-term growth underpinned by strategic drivers and cycle improvement



**Strong Cash Flow & Balance Sheet Focus**

1) Sustained incremental earnings uplift by FY 22 of \$60M per annum , based on expected cost savings when compared to FY 2019 cost base. 2) Growth estimates assuming no significant deterioration in current market conditions. 3) Opportunity for sustained incremental earnings uplift by FY22 of an estimated \$40M to \$50M, based on average volume uplift compared with historical baseline average production and FY18 product margins for Waggaman, Phosphate Hill, Cheyenne and Moranbah.

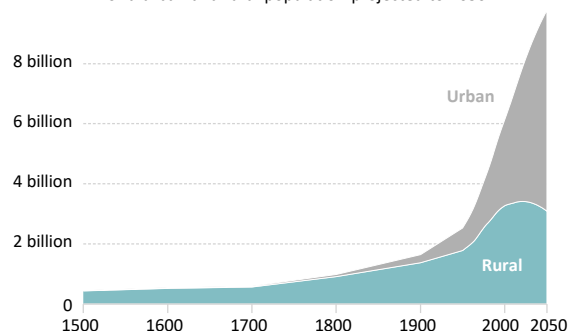


# Attractive Long-Term Macro Drivers

IPL's resilient end markets are underpinned by long-term global trends

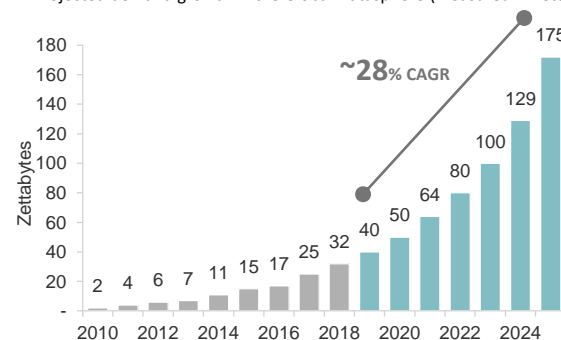
## Urbanisation

World urban and rural population projected to 2050<sup>1</sup>



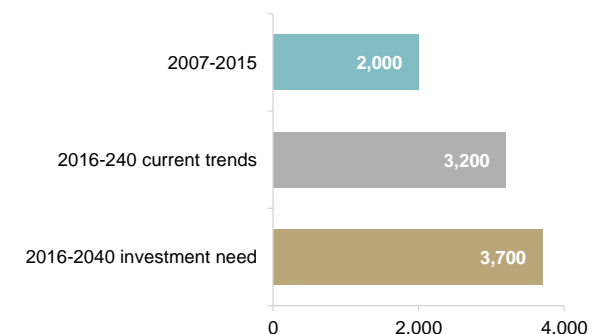
## Digitisation

Projected demand growth in the Global Datasphere (measured in zettabytes)<sup>2,3</sup>



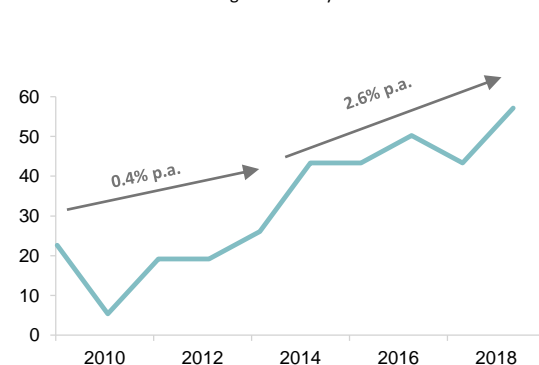
## Critical infrastructure

Average annual global infrastructure spending requirement<sup>4,5</sup>



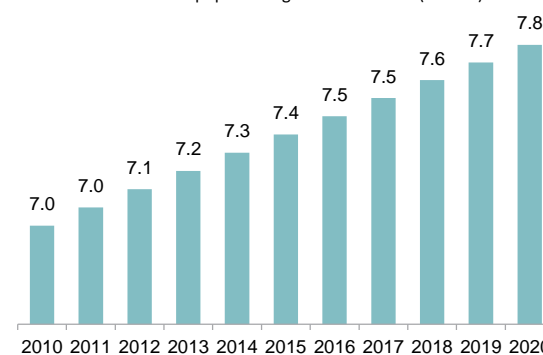
## Increasing efficiency

Mining Productivity Index<sup>6,7</sup>



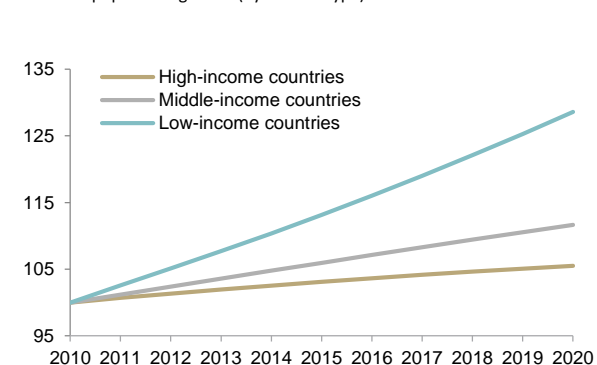
## Growing population

Global population growth over time (billions)<sup>8</sup>



## Growing middle class

Global population growth (by income type) from 2010 - 2020 rebased to 100<sup>8</sup>



1) Source: OWID based on UN World Urbanization Prospects 2018 and historical sources. 2) Data Age 2025, sponsored by Seagate with data from IDC Global DataSphere. 3) The Global Datasphere is a measure of all new data that is captured, created, and replicated in any given year across the globe. 4) Oxford Economics. 5) Billion US\$, 2015 prices and exchange rates. 6) McKinsey and Company. 7) Historical values updated to incorporate revisions made by companies in previously reported data. 8) United Nations population Division.

# Strategy Execution on Track

## Target

Improve Zero Harm Performance

Driving Manufacturing Excellence

Leveraging technology to grow market share

Investing in high return low capital growth opportunities

## Progress

- ✓ TRIFR<sup>1</sup> of 0.56 YTD June FY 20, ahead of FY 21 target of 0.70
- ✓ Reliability plans implemented across key plants
- ✓ Substantial improvement in Waggaman and Phosphate Hill manufacturing performance in FY 20
- ✓ Plant reliability at 88%<sup>2</sup>, up 7% from FY 19
- ✓ Premium emulsions (Delta E) sales growing 42%<sup>3</sup> to > 300 thousand tonnes annually, underpinning Q&C growth
- ✓ Delta E fleet growing to > 100 trucks, driven by customer demand
- ✓ Electronic Detonators Systems annual sales of > 5 million units growing 25%<sup>3</sup>, positioned as leader in sophisticated Australian mining market
- ✓ Technology pipeline developed with customers, focussed on practical solutions, speed to market and investment discipline
- ✓ Commissioned new emulsion plant in Chile, underpinning growth opportunity
- ✓ Investment in improved North American distribution footprint
- ✓ Expanded Initiating System plants in the US & Australia, delivering on accelerated customer demand

1) Total Recordable Injury Frequency Rate, calculated as the number of recordable injuries per 200,000 hours worked and includes contractors. 2) Individual plant contribution to overall % reliability, weighted by the Maximum Sustainable Production Rate of each plant. Reliability performance is calculated using the Phillip Townsend Associates (PTA) Global Ammonia plant benchmarking definition. 3) Compound Annual Growth Rate – FY16 to FY19

# Finance Update & Response Plan



**Nick Stratford**  
Chief Financial Officer



# Financial Framework

## Maximising shareholder returns

### Focus on Balance Sheet strength

- Commitment to maintaining an investment grade credit profile
- Equity raising proceeds applied to debt reduction
- Simplify debt funding structures over the next 18 months
- Large turnarounds in FY 21 and FY 22 expected to set up strong cash generation from FY 23
  - FY 21 – Waggaman, St Helens, Moranbah
  - FY 22 – Phosphate Hill, Cheyenne

### Free cash flow generation

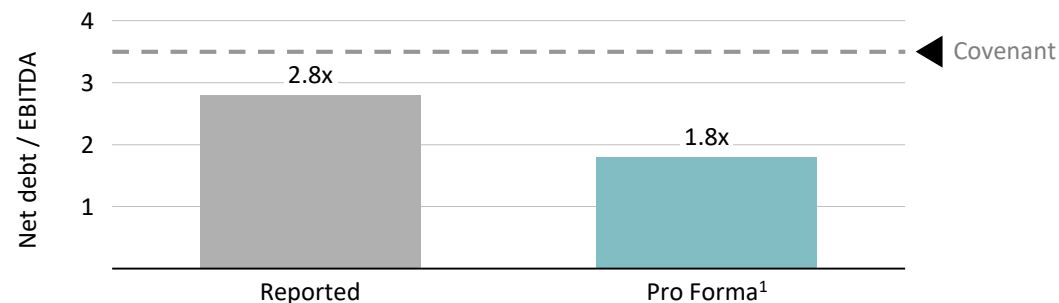
- Strong focus on Cost, Working Capital and Sustenance Capital
- Response plan to reset the cost base – to be maintained via business efficiency focus
- Manufacturing Excellence to drive plant reliability and improved capital efficiency

### Targeting higher returns

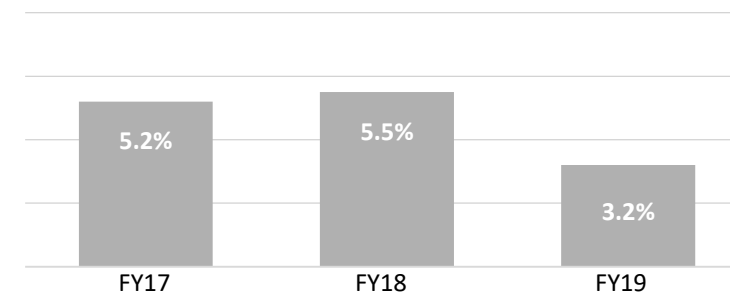
- Premium technology offering delivering strong ROIC in the commercial businesses
- Growth capital investment biased to capital light faster cash returning projects
- Action plan in place for significant growth in ROIC over the next 3 year planning cycle

### 1H FY 20 Net Leverage Profile

Reported & Pro Forma<sup>1</sup>



### Return on Invested Capital %



(1) Pro forma measures have been calculated as at 31 March 2020 and includes \$658m of proceeds from the equity raising (May 2020) and Share Purchase Plan (June 2020)

# Performance Update – 9 Months Ended June 2020

## Dyno Nobel Explosives

- Mining volumes in Australia for the 9 months to June 2020 continue to be strong as the mining sector is operating well in a COVID-19 environment. Base & Precious Metals volumes YTD June 2020 remained strong, up 12% on the prior corresponding period (pcp), with Metallurgical Coal volumes down 4% compared to pcp due to lower contracted volumes and 1H20 weather impacts
- International volumes were down 12% compared to pcp, with lower demand from Thermal Coal customers in Indonesia, impacted by weather, changed mine plans and COVID-19
- The Americas has seen all industries impacted by COVID-19, with demand appearing to bottom out in May and recovering in June. YTD June 2020 Quarry & Construction volumes were up 1% compared to pcp, Base & Precious Metals volumes were down 6% compared to pcp and Coal volumes were down 21% compared to pcp

## Fertilisers

- Fertiliser distribution volumes YTD June 2020 were up 16% on pcp, underpinned by above average rainfall during January to June 2020 for much of southeastern Australia

## Manufacturing Operations

- Manufacturing performance continued its strong momentum from 1H20 across all major plants, with overall plant reliability at the end of June 2020 at 88%, up 7% from FY 2019. Pleasingly Waggaman has been operating at full rates for 199 days

## Commodity Prices / Foreign Exchange

- Adverse EBIT impact of \$90M<sup>1</sup> YTD June 2020 (1H20: \$72M) from net changes in commodity prices and foreign exchange rate compared to pcp. The impact from lower commodity prices was \$127M (1H20: \$104M), this was partially offset by \$37M (1H20: \$32M) benefits from the lower A\$:US\$ exchange rate

1) Calculated based on EBIT sensitivity included in IPL's 1H2020 Profit Report

# Response Plan

## Proactive response to COVID-19 impacts and low commodity prices

Sustained incremental cost savings of \$60M<sup>1</sup> per annum by FY 22, made up as follows:

- FY 20 Response plan of \$20M<sup>1</sup> per annum cost savings and \$40M capital expenditure deferral announced at 1H20
  - Short term non-essential operational spend pause delivering \$20M of cost savings in FY 20
  - Capital expenditure deferrals of \$40M from FY 20 into FY 21
- FY 21/FY 22 Response plan, identified an additional \$40M<sup>1</sup> per annum sustained incremental cost savings, expected to be delivered over a 3-year period to FY 22
  - One-off cash cost of the plan is approximately \$30M, to be incurred in FY 20

Additional focus on underlying Trade Working Capital reduction and Capital efficiency, to improve Free Cash Flow



1) Estimated cost savings compared to FY 2019 actual cost base.



# Dyno Nobel





## Jeanne Johns

Managing Director & Chief Executive Officer

# Explosives Growth Opportunity

Leverage premium technology, strategically located assets and strong customer relationships

## Americas – return to growth trajectory from FY 21<sup>1</sup>

- Leverage market leadership position in US
  - Continued profitable market share growth, driven by practical customer solutions
  - Opportunities from premium technology conversion
  - Growth in precious metals sector
  - Solid Quarry & Construction and Base & Precious Metals industry growth expected over medium term
- Opportunity for premium technology in world’s largest copper market
  - Chile emulsion plant commissioned, capital light investment
  - Delta E technology ideal for Chilean ground conditions
  - Customer trials commenced 1H 20, delivering superior blasting outcomes

## Rebuild Asia Pacific earnings from FY 21<sup>1,2</sup>

- Solid platform of contracted tenure with existing customers across all key market segments
- Focus on conversion to market leading value added solutions
  - Continued conversion from traditional Non-electronic detonators to DigiShot Plus Electronic detonators
  - Improving bulk product mix, from ammonium nitrate to premium emulsions
  - Continued strong growth in emulsion demand, opportunity to convert from traditional emulsion offerings to Delta E
- Growth in share and new markets
  - Recently awarded contract to supply DigiShot Plus Electronics to a world class Iron Ore miner in the Pilbara
  - Market share growth in Western Australian Underground segment
  - Opportunities to leverage Technology Portfolio via partnering with regional explosives companies in new geographies
- Supply chain savings, including unwind of Western Australia contract loss impacts (\$11m favourable impact from FY 22)

1) Growth expectations are based on the assumption that there is no significant deterioration in current market conditions

2) Excluding the EBIT impact from the planned Moranbah turnaround in FY 21

# Dyno Nobel Americas Explosives

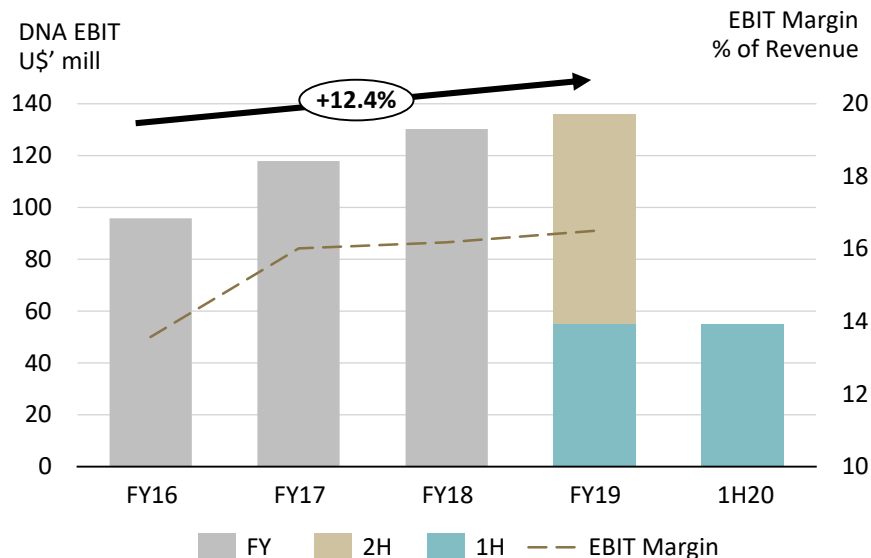
Market leader with strong platform for growth

Strong earnings growth history, underpinned by:

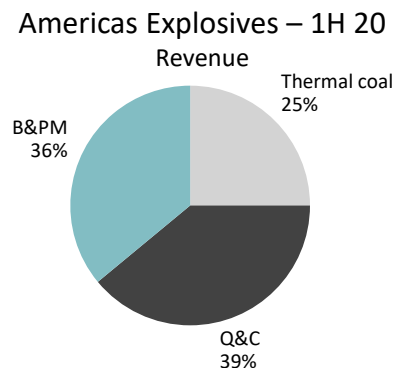
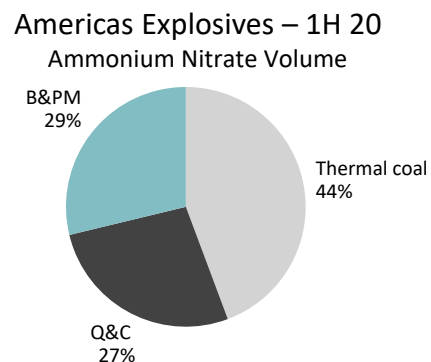
- strategically located assets
- premium technology offering

Significant technology growth<sup>1</sup>:

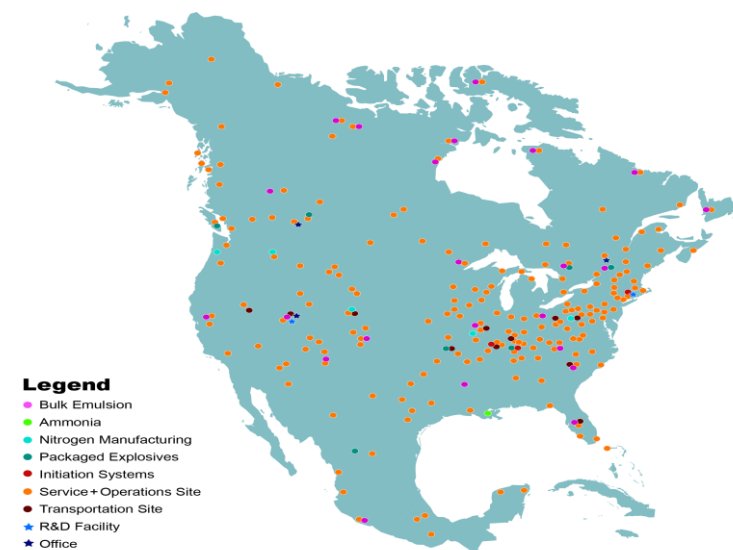
- 36% Electronic Detonators sales
- 28% premium emulsions sales



## Revenue driven by premium technology



## Strategically located assets in diverse market



## Strong end markets

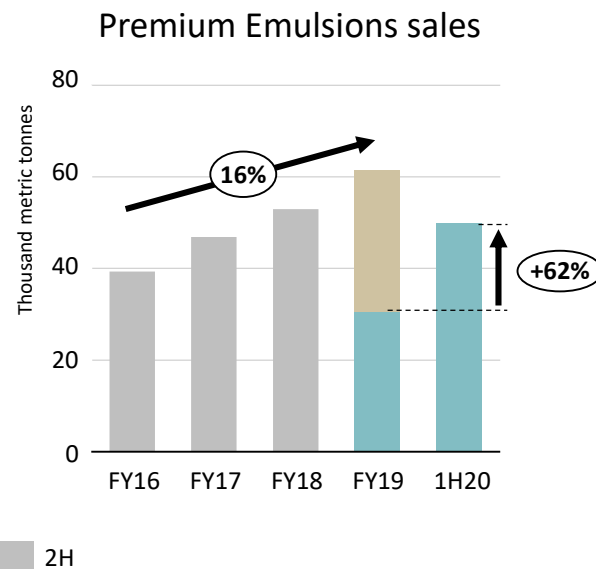
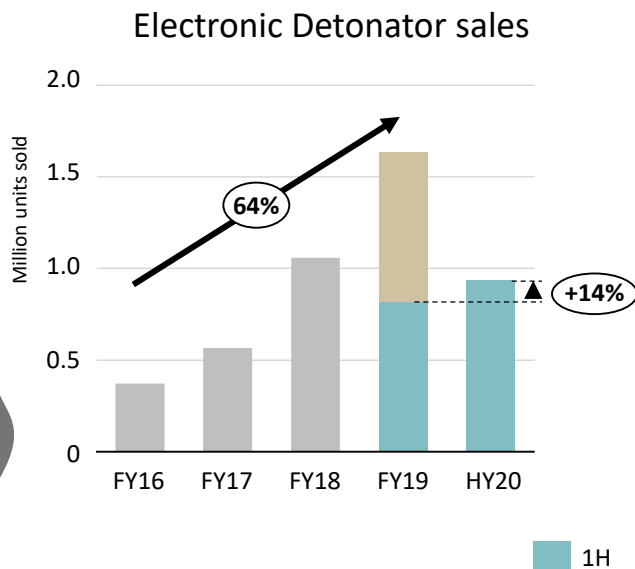
- Dyno Nobel Americas strategically short Ammonium Nitrate in long market
- Quarry & Construction (Q&C)
  - Highly sophisticated sector requiring premium technology solutions
- Base and Precious Metals (B&PM)
  - Sector well suited for Dyno Nobel's premium technologies, long runway for technology adoption
- Coal
  - Coal margins largely derived from manufacturing, with plant utilisation expected at capacity in FY21 despite coal downturn

1) Compound annual growth rate – FY 16 to FY19

# Dyno Nobel Asia Pacific Explosives

Rebuilding earnings, underpinned by market leading technologies

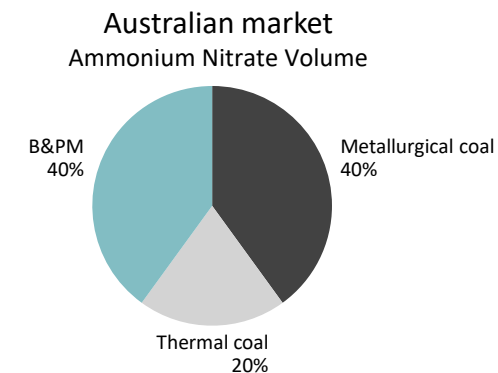
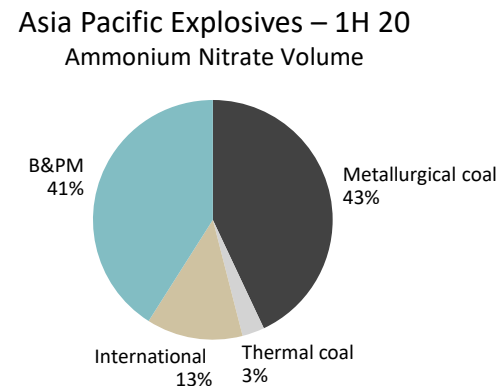
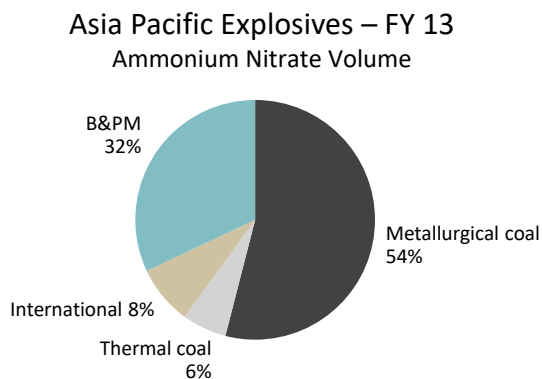
- Transformation to valued technology partner
- Expansion of premium technology capacity to meet customer demand
- Moranbah plant fully loaded
- FY21+ earnings rebuild<sup>1</sup>, driven by technology expansion



## Strategically located assets



## Transform exposure via premium offering



1) Excluding the EBIT impact from the planned Moranbah turnaround in FY 21



# Waggaman Operations

## World scale plant in net import domestic market

- 800,000 metric tonnes annual name plate capacity
- Operating continuously at full rates for more than 6 months
- North American market expected to remain net importer of ammonia beyond 2025<sup>1</sup>

## Strong investment and return profile

- 1<sup>st</sup> quartile of cost curve on US delivered gas basis
- Direct access to abundant low cost US gas
- Production fully contracted or committed under long-term agreements with strong counterparties

## Market structure expected to remain intact

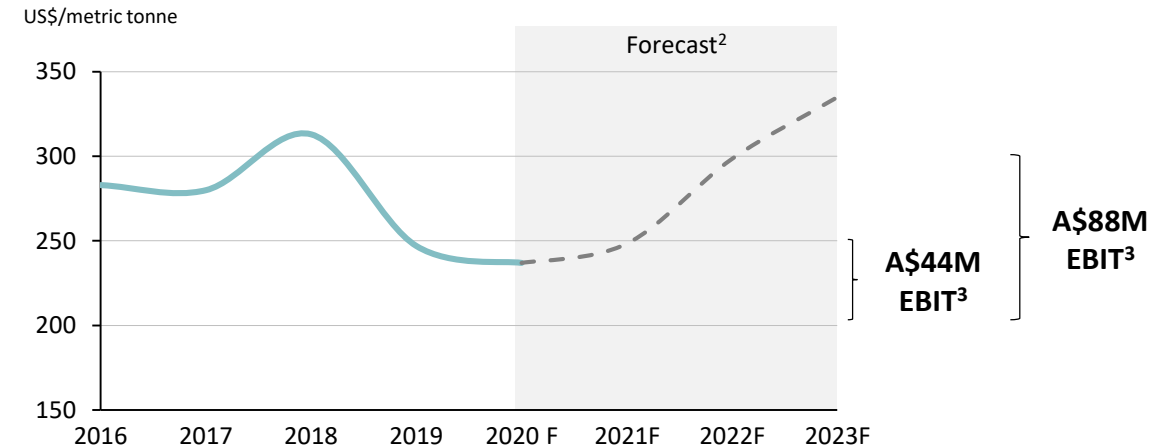
- Capacity curtailment of marginal producers from end of 2019 and 2020
- Global demand expected to outpace supply over medium term<sup>1</sup>

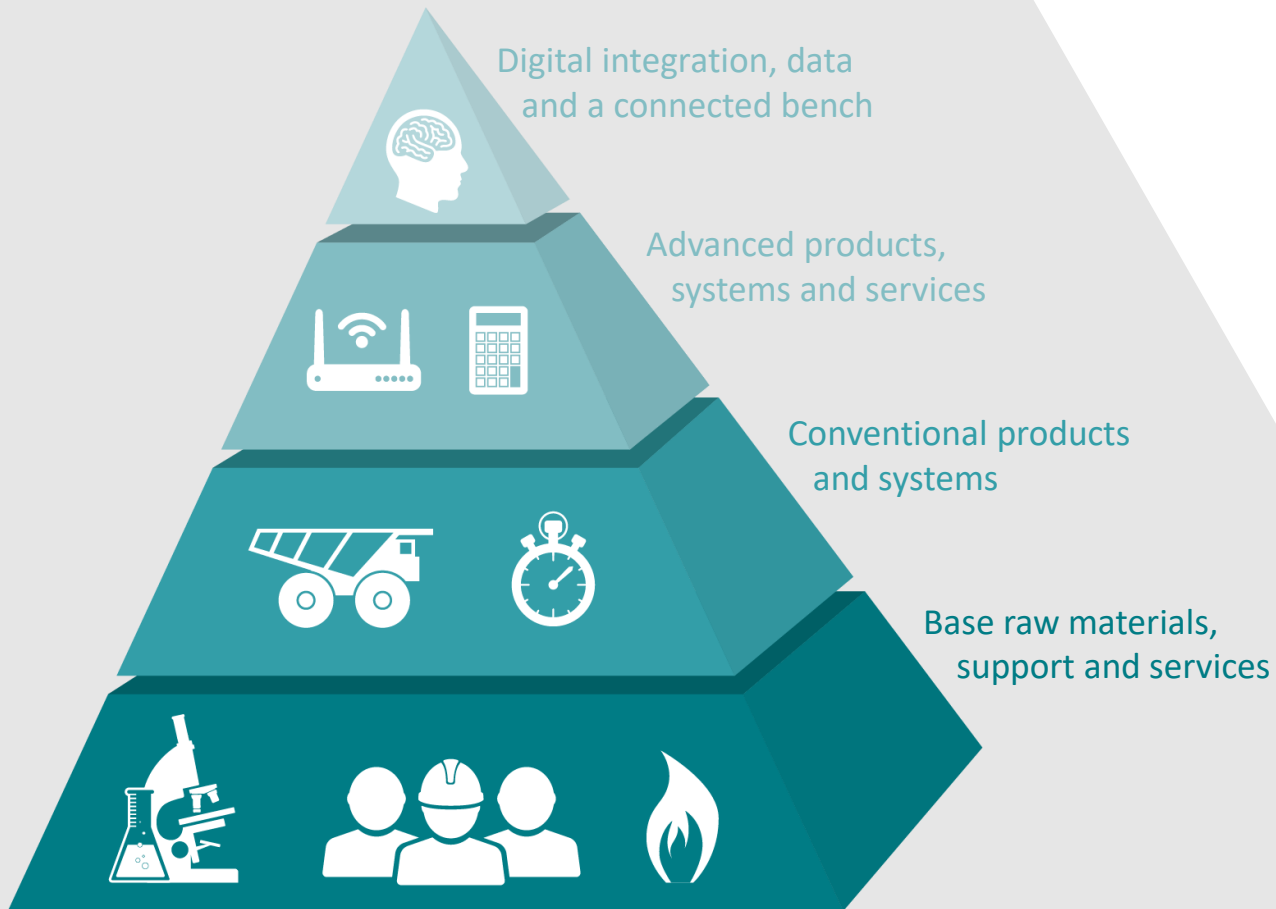
1. CRU as of July 2020

2. Average of CRU & Fertecon Ammonia price forecast – 2020 to 2023

3. Waggaman Operations annual A\$ EBIT sensitivity to changes in the US\$ Ammonia Tampa price, based on IPL's 1H FY20 EBIT sensitivities

## Ammonia Tampa Price





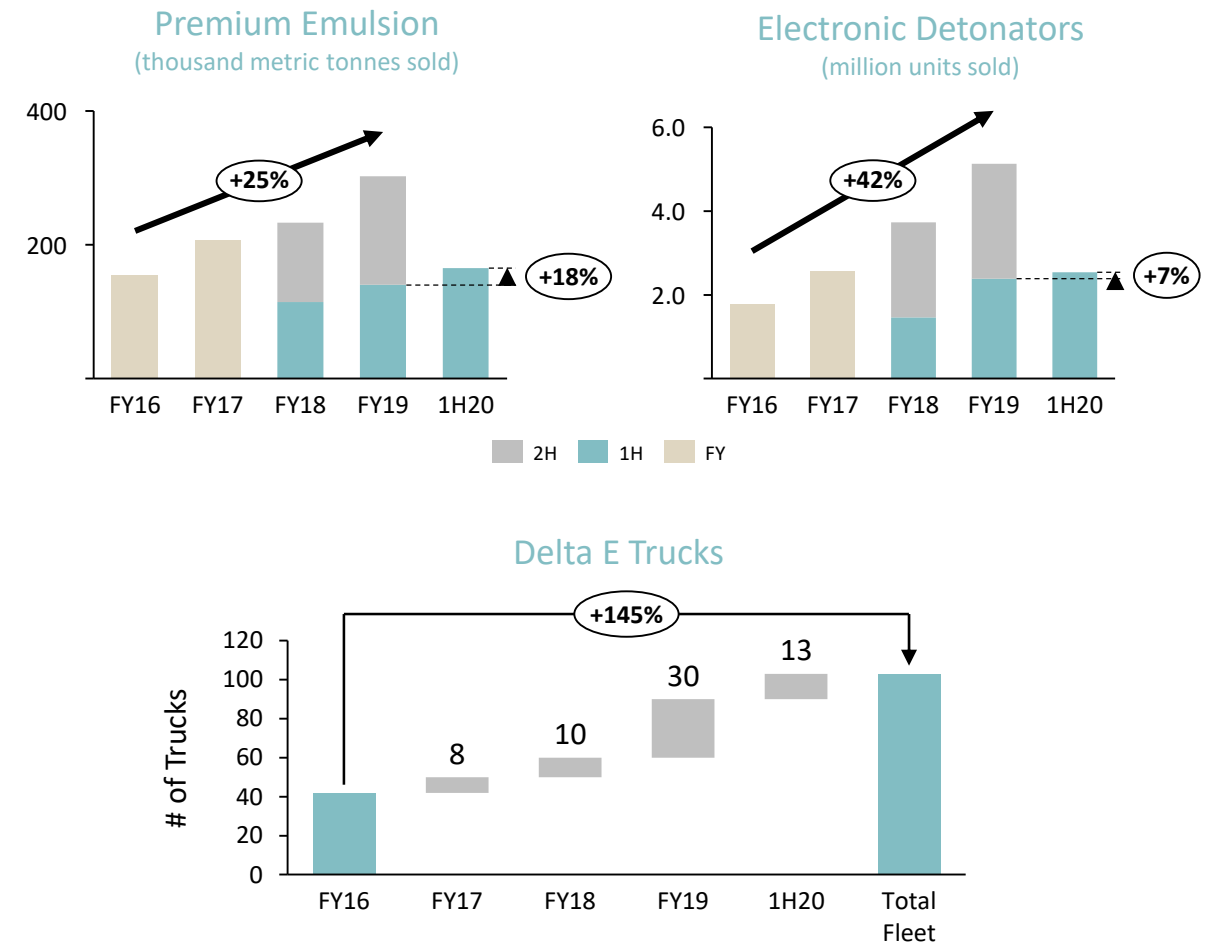
# Explosives Technology

# Premium Explosives Technology

## Best premium technology offering on the ground

- Technology designed to be easy for customers to adopt, with plug-in capability a key design principle
- Differentiated Energy (Delta E) emulsions, unique patented technology
  - Achieving efficiency, improved safety and reduced environmental impacts
  - Automated and ultra fast loading rates
  - Tailored energy profiles, delivering better blast outcomes and driving customer efficiencies
- 4<sup>th</sup> Generation Electronic Detonator Systems, winning in the market today
  - Unparalleled safety inherent in design
  - Rapid communications – 7x faster than anything else available today
  - Very low failure rates – clear quality distinction
- Adoption by largest and most sophisticated mining companies in the world
- Demand for premium electronics is expected to continue to grow, supporting mine productivity, safety and environmental impact
- Strong platform to bring new solutions to market, underpinning our growth strategy

## ... and the numbers are showing it

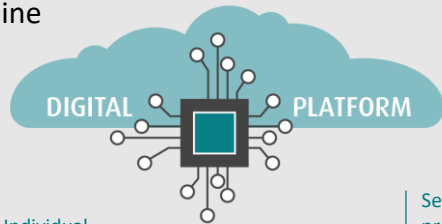


# Strong Technology Pipeline

Delivering new technology innovations on the ground

## Technology pipeline framework

- Customer collaboration
- Practical solutions, with ease of adoption
- Speed to market
- Investment discipline



Computer generated blast design

Individual blast hole analysis

Detailed blast analysis

Sensor-based productivity analysis and feedback to improve design

Product analysis enhancements

Smart drills measuring rock properties

Hose and auger placement; Design based on measured conditions; Automated loading of bulk product

Optimised blast result

Strong progress on technology alliance with largest miner in the world

Our premium technology improving mining efficiencies – completed worlds largest electronic detonator blast of over 12,500 units

Technology trials restarting, following COVID-19 slowdown in 1H20



Differential GPS Electronic Detonators commercialised

Successful CyberDet I wireless detonator trials completed for specialised market needs

CyberDet II wireless platform progressing to plan – 2021 rollout on universal Gen 4 platform for mainstream requirements



Universal automated truck platform developed for all truck types

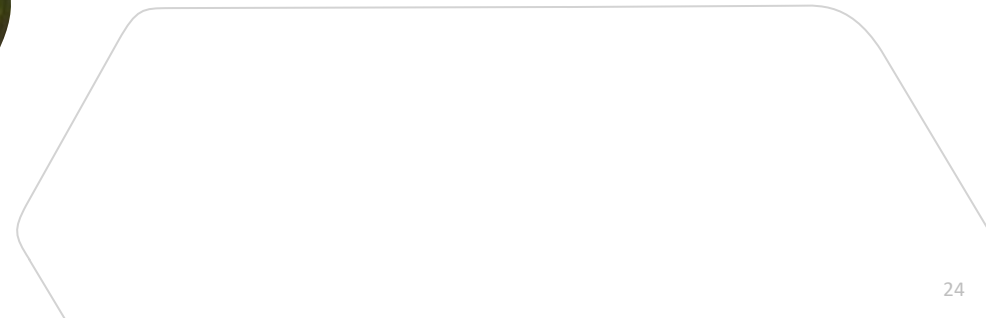
Successful prototypes tested and moving to customer trials in 2020







# Fertilisers Asia Pacific





**Stephan Titze**

President Incitec Pivot Fertilisers



# Fertilisers Asia Pacific

Australia's leading and only integrated East Coast supplier of premium fertiliser solutions



Incitec Pivot Fertilisers

Business improvement measures support profitable operations through the cycle

## KEY SHORT TO MEDIUM TERM GROWTH DRIVERS

- Rising global demand for agricultural products, in line with growing population
- IPF domestic demand volume recovery post drought of 16% and above average rainfall forecast from Aug-Oct 2020

## MANUFACTURING PERFORMANCE IMPROVING

- Production reliability at Phosphate Hill improving, up 30% compared to pcp
- Phosphate Hill profitable at current low DAP price
- Flood mitigations and rail resilience working
- Strict cost and capital controls for competitiveness

## DISTRIBUTION BUSINESS RESILIENT WITH CONSISTENT VOLUMES AND CASHFLOWS

- Distribution volume averaged ~2 million tonnes per annum since 2010
- Strong trading and logistics capability with robust margins
- Most expansive distribution footprint in Eastern Australia
- 100 year history, strong brand and customer service (NPS > 40)
- Leading soil testing laboratory and agronomy advice

## LEVERAGE COMPETITIVE ADVANTAGES AND TRANSFORM TO SOIL HEALTH COMPANY

- Earnings improvement opportunities with new value added products and solutions
- Exploring new potential growth opportunities in liquids, efficiency enhanced fertilisers, new intensive soil testing and renewable bio-fertilisers

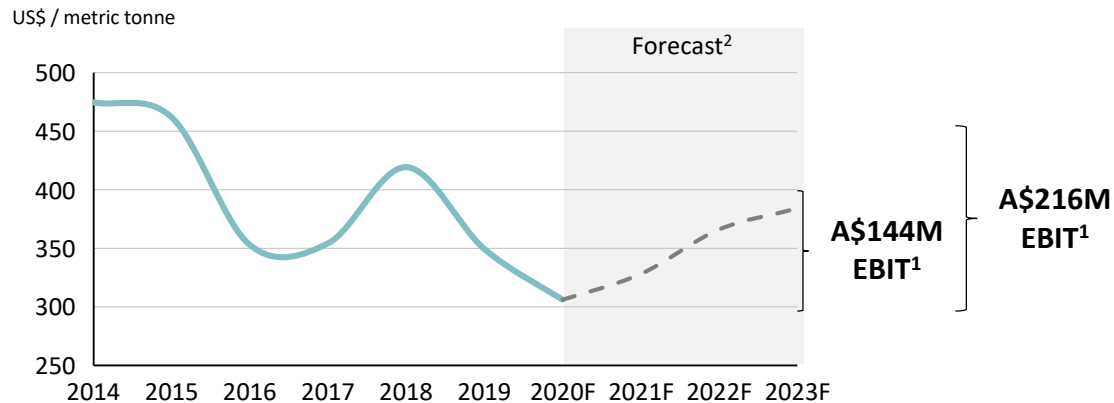
# Fertilisers – Manufacturing

Manufacturing Excellence strategy to drive sustained performance improvement

## Phosphate Hill

- Highly leveraged to global DAP price, >15% price recovery since 1H20 low
- Focus on improving cost base & plant efficiencies
- Long term economical gas supply until 2028
- Critical supplier to Distribution business

### Di-ammonium Phosphates Pricing



## Gibson Island

- Low nitrogen prices & high gas cost making profitable operations challenging
- Gibson Island operations continuity reliant on economical gas contract after December 2022
- Strategically located site, infrastructure capable of handling increased import volumes



1. Phosphate Hill operations annual EBIT sensitivity to changes in the US\$ DAP Tampa price, based on IPL's 1H FY20 EBIT sensitivities  
 2. Average of CRU & Fertecon Ammonia price forecast – 2020 to 2023



# Fertilisers – Distribution

Distribution business consistently profitable

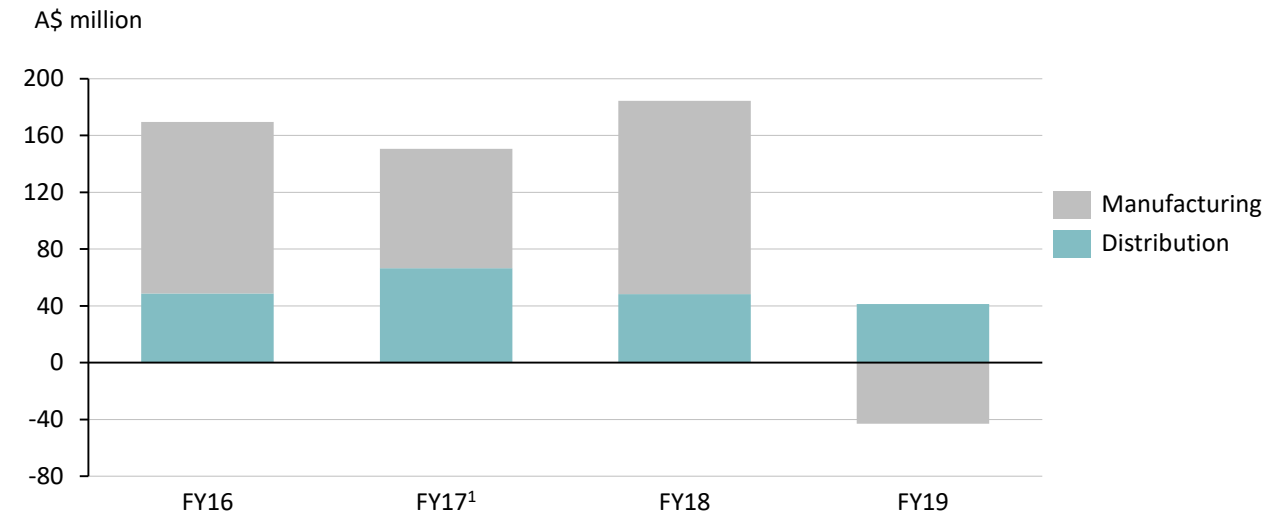
## Stable earnings through the cycle

- Profitable & stable distribution earnings history
- Resilient business even in times of drought, attributed to diversity of end markets and geographic regions
- Average distribution volumes of ~2 million tonnes per annum – FY 10 to FY 19

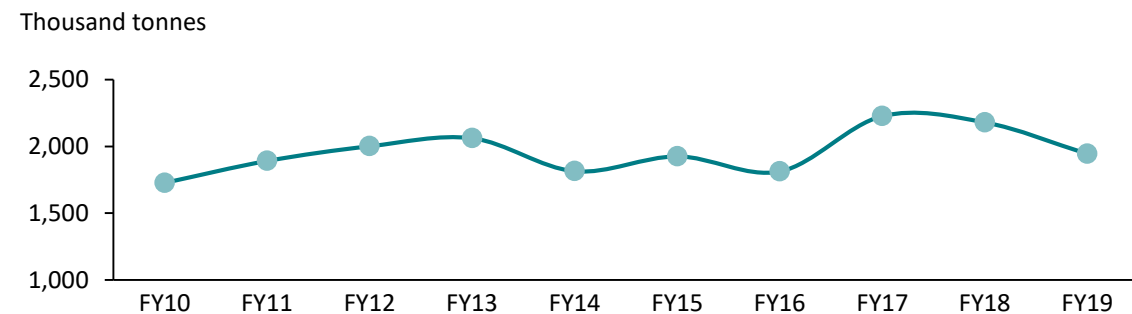
## Improving conditions

- Better rainfall driving strong volume recovery in FY 20, June YTD 2020 distribution volumes up 16% compared to pcp
- Robust distribution margins from strong trading performance
- Further growth potential from recovery of irrigated Cotton sector with rainfall normalisation

Fertilisers Asia Pacific – EBITDA



Fertilisers Distribution Volumes



1) FY17 Distribution business EBITDA normalised for ~\$20M one-off profit items

# Fertilisers Asia Pacific

Transformation to a leading Australian soil health company



## Leading Fertiliser Company

### Commodity Products

- Domestic manufacturer** of fertilisers
- Competitive** commodity supplier
- Strong **distribution** to all market segments
- Laboratory and agriculture **analysis services**



## Leading Plant Nutrition Company

### Specialised Products & New Markets

- Expand **liquid fertilisers** and grow new market
- Penetrate with **efficiency enhanced fertilisers**
- Increase share of the **horticulture market**
- New soil testing** services and precision Ag applications
- New **E-commerce platform**



## Sustainable Soil Health Company

### Specialised Products and Services Initiatives

- Renewables** from waste
- Enhanced** liquids and bio-fertilisers
- Sustainable plant nutrition solutions** to improve soil health
- Digital Agriculture** solutions
- Strategic pursuit of **international partnerships**



# Conclusion

Strong Distribution business and improving market conditions

Favourable long term global fertilisers fundamentals, improving Australian conditions and highly leveraged to current low fertilisers prices



Profitable Distribution business with strong capability and opportunity to take advantage of drought recovery



Focus on improving returns

- Manufacturing Excellence driving Phosphate Hill competitiveness
- Response plan driving cost efficiencies and margin improvement



Leverage distribution platform to drive new growth initiatives towards soil health





# Manufacturing Excellence





## Tim Wall

President Global Manufacturing & Corporate HSEC

# Manufacturing Excellence

## Strategy on a page

### Zero Harm

- For our people & the environment
- Process Safety focus
- Reliable operations are safe and efficient

### People and Culture

- High reliability mindsets underpin our people and culture approach

### Reliable Operations

- Detailed plans driving plant reliability
- Focus on keeping plants online everyday
- Conformance with global maintenance, operations & engineering standards

### Performance and cost competitiveness

- Benchmarked performance targets established
- Cost discipline on fixed & variable costs and capital (projects & turnarounds)



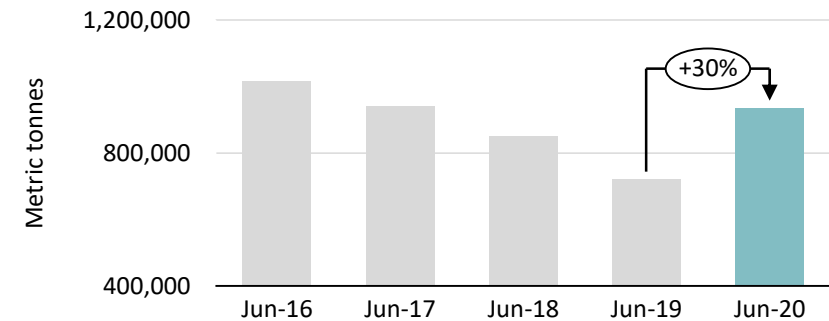
# Manufacturing Excellence

## Substantial improvement in manufacturing performance

- Zero Harm performance continues to improve (TRIFR of 0.56 YTD June 2020)
- Strong reliability improvement across key plants
  - 30% increase in Phosphate Hill production vs pcp, Waggaman up 17% vs pcp
- Processes and systems improvement
  - Detailed reliability improvement programs implemented
- Successful expansion and increased automation of initiating systems plants in the US and Australia
- Rollout of new turnaround approach
  - Turnaround and project improvement process expected to return value from FY 21
  - Major turnarounds at Waggaman, St Helens and Moranbah in FY 21

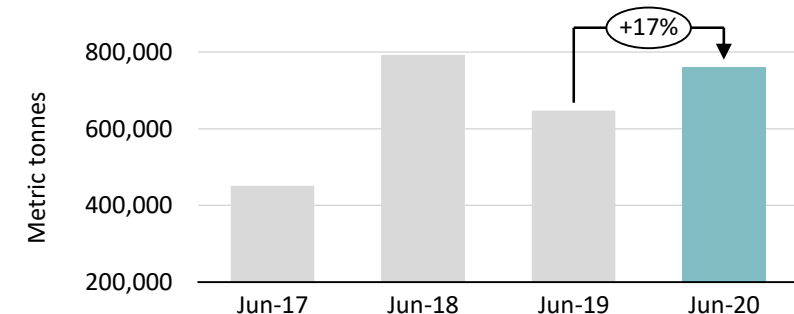
### Phosphate Hill

12-month rolling Ammonium Phosphates production – June



### Waggaman

12-month rolling Ammonia production – June



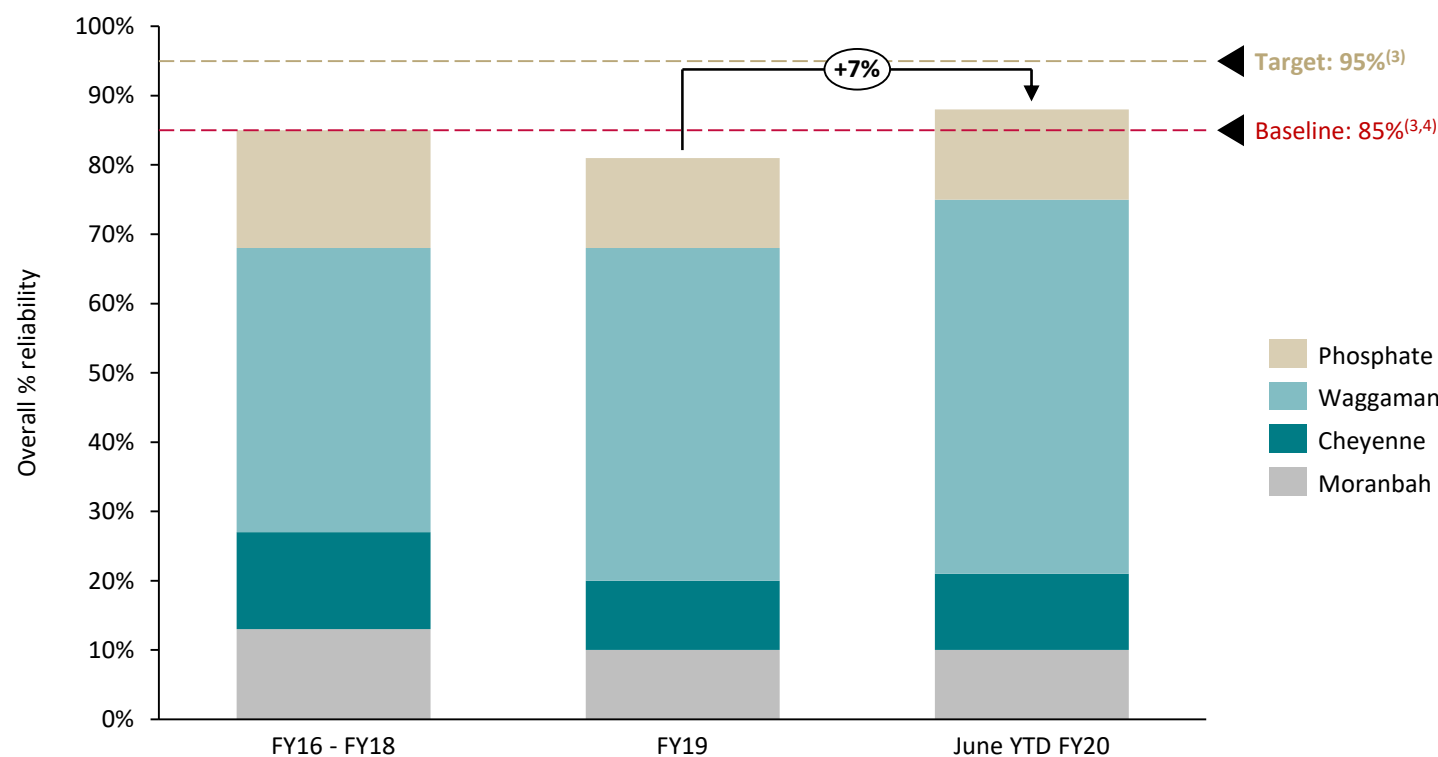
# Manufacturing Excellence

On track to deliver Manufacturing Excellence target by FY22

7% improvement YTD, on track to deliver \$40M to \$50M<sup>1</sup> by FY 22

Response plan focus on delivering additional savings by making our operations more cost competitive

Ammonia Reliability<sup>2</sup> – Major Plants



1) Sustained incremental earnings uplift by FY22, based on average volume uplift compared with historical baseline average production and FY18 product margins for Waggaman, Phosphate Hill, Cheyenne and Moranbah. 2) Individual plant contribution to overall % reliability, weighted by the Maximum Sustainable Production Rate of each plant. 3) Baseline, target and actual performance are calculated using the Phillip Townsend Associates (PTA) Global Ammonia plant benchmarking definition. 4) Reliability performance of 85% is the equivalent of 80% Overall Equipment Effectiveness (OEE)



# Conclusion

Strong progress toward reliable operations

Zero Harm & Safety performance improvement remains #1 priority

Opportunity of \$40M to \$50M<sup>1,2</sup> per annum by FY 22 still in place

Focus on turnaround execution under new strategy

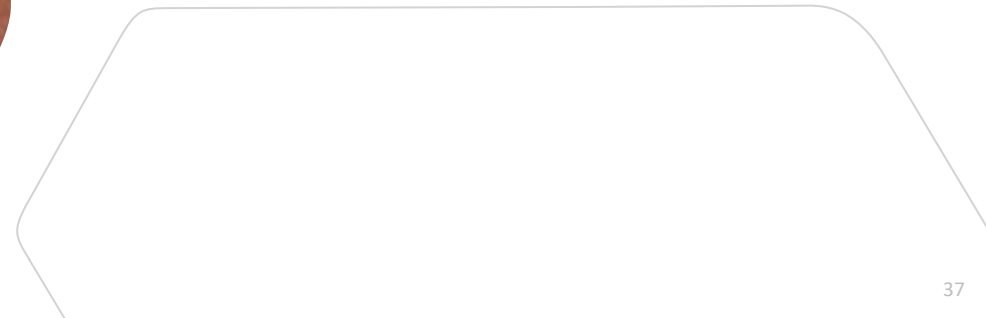
Improve capital efficiency & cost competitiveness



1) Opportunity for sustained incremental earnings uplift by FY22 of an estimated \$40M to \$50M, based on average volume uplift compared with historical baseline average production and FY18 product margins for Waggaman, Phosphate Hill, Cheyenne and Moranbah.



## Key messages & Conclusion







## Jeanne Johns

Managing Director & Chief Executive Officer

# Key Messages & Conclusion

Resilient business, well set up for growth

1

**Resilient  
End Markets**

Critical supplier to essential industries that have remained resilient through COVID-19

2

**Response  
Plan**

A\$60M<sup>1</sup> EBIT uplift per annum from expected cost savings by FY22, driving margin expansion

3

**Explosives  
Growth**

Growth expected from FY 21<sup>2</sup>, backed by premium technology offering

4

**Manufacturing  
Excellence**

Deliver \$40M - \$50M<sup>3</sup> earnings uplift by FY 22, driven by improved plant reliability

5

**Fertiliser  
Recovery**

Advanced fertilisers products & services expansion, underpinning future growth  
Significant earnings leverage to current low commodity prices



1) Sustained incremental earnings uplift by FY 22 of \$60M per annum compared to FY 2019, based on expected cost savings. 2) Growth estimates assuming no significant deterioration in current market conditions and excluding the EBIT impact from the planned Moranbah turnaround in FY 21. 3) Sustained incremental earnings uplift by FY22, based on average volume uplift compared with historical baseline average production and FY18 product margins for Waggaman, Phosphate Hill, Cheyenne and Moranbah



# Questions & Answers

# Questions and Answers – Panel Members



**Jeanne Johns**  
Managing Director &  
Chief Executive Officer



**Nick Stratford**  
Chief Financial Officer



**Braden Lusk**  
President  
Dyno Nobel Americas



**Greg Hayne**  
President  
Dyno Nobel Asia Pacific



**Stephan Titze**  
President  
Incitec Pivot Fertilisers



**Tim Wall**  
President Global  
Manufacturing & Corporate HSE



**Robert Rounsley**  
Chief Technology  
Development Officer

# APPENDIX

# PERFORMANCE UPDATE – YTD/Q3 FY 2020

## Volumes & Pricing

Volumes – thousand metric tonne	1H FY20	3Q FY20	3Q YTD FY20
Phosphate Hill production (ammonium phosphates)	457	253	710
Gibson Island production (urea equivalent)	157	125	282
Waggaman production (ammonia)	363	208	571
Moranbah production (ammonium nitrate)	176	100	276
Fertilisers Australia distribution volumes	921	800	1,721

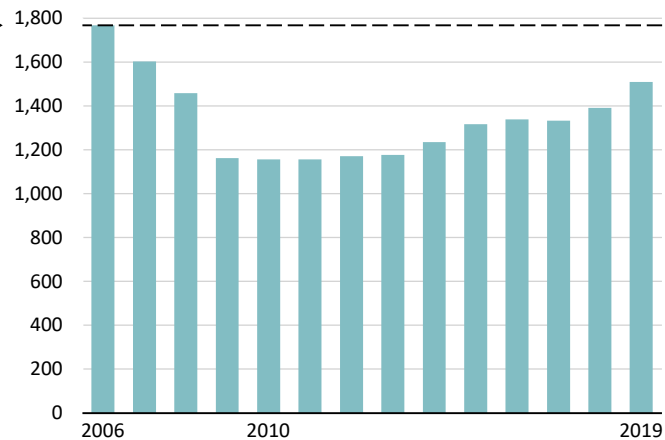
Commodities / Foreign Exchange Realised	1H FY20	3Q FY20	3Q YTD FY20
Ammonia / MT (Waggaman)	241	222	234
DAP / MT – (Phosphate Hill)	289	301	293
Urea / MT – (Dyno Nobel Americas)	250	254	252
Urea / MT– (Fertilisers Asia Pacific)	247	236	242
Natural Gas / MMBTU – (Delivered Waggaman)	2.35	1.82	2.17
AU\$:US\$ exchange rate	0.67	0.65	0.67



**US Crushed Stone Production<sup>1</sup>**

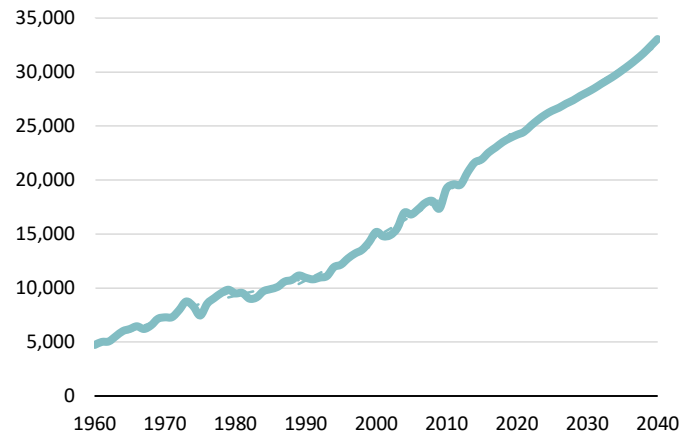
Million tonnes

Industry peak



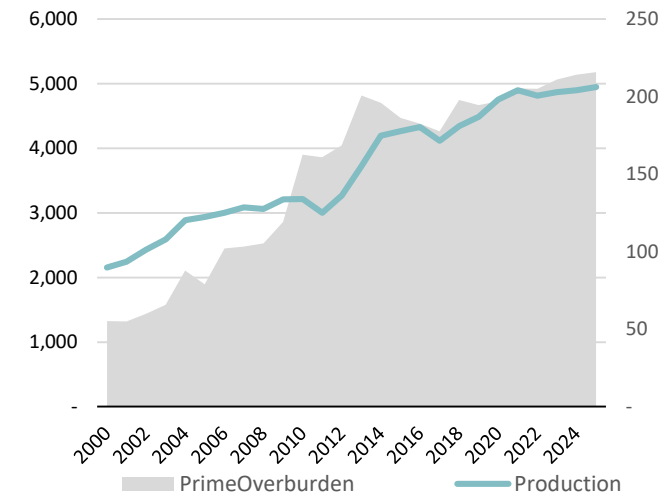
**Global Refined Copper Consumption<sup>2</sup>**

Thousand tonnes



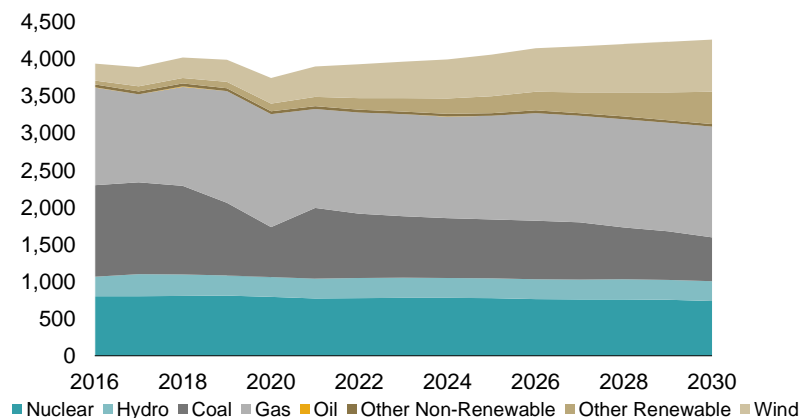
**Bowen Basin Coal<sup>2</sup>**

Prime overburden (mbcm pa) / Coal production (Mt pa)



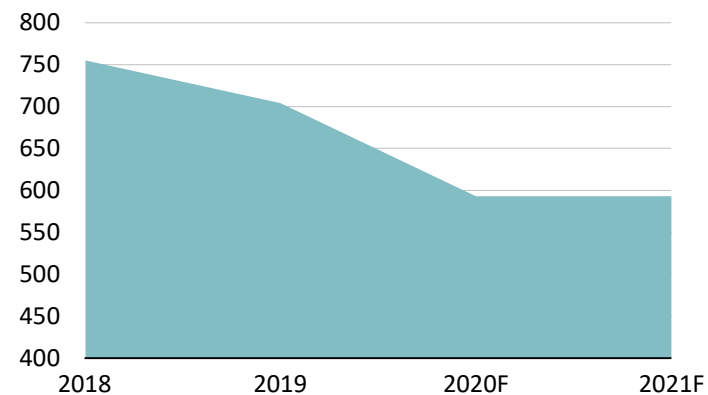
**US Electricity Mix Outlook<sup>2</sup>**

Generation (TWh)



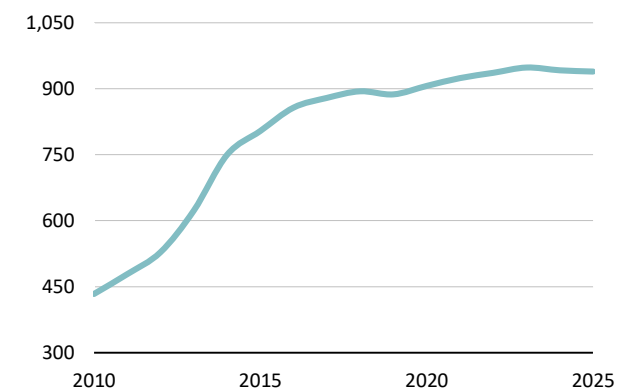
**US Thermal Coal Production<sup>2</sup>**

(Million short tonnes)



**Pilbara Iron Ore<sup>2</sup>**

Iron Ore production (Mt pa)



1) United States Geological Survey (USGS)

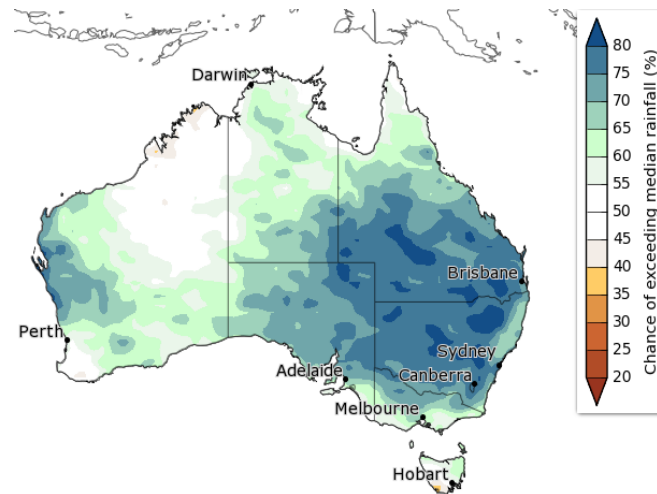
2) WoodMackenzie

# FERTILISERS ASIA PACIFIC

## Improving conditions

- Wetter than average conditions through most of 2020, supporting strong fertilisers demand
- Still require follow up rain to replenish water storage levels for irrigation needs

**Australian Rainfall Outlook – Aug – Oct 2020<sup>1</sup>**



1) Australian Bureau of Meteorology – July 2020 outlook  
 2) Fertilizer Australia  
 3) ABARES, Australian Bureau of Statistics  
 4) <https://www.pm.gov.au/media/national-farmers%E2%80%99-federation-40th-anniversary-gala-dinner>

## Strong long term fundamentals

- Fertilisers is important for enhancing agricultural productivity, with an estimated ~5 million tonnes<sup>2</sup> applied in 2019 , ~70% in Eastern Australia
- Growing Australian agriculture industry, driving long term demand for fertilisers

**Value of farmgate production**

